

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0200-02
Bill No.: HB 308
Subject: Cities; Towns, and Villages; Motor Vehicles; Transportation
Type: Original
Date: January 15, 2015

Bill Summary: This proposal requires political subdivisions receiving more than 15% of their annual general operating revenues from traffic fines to send revenues in excess of such threshold to the state school system.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| Local Government* | \$0 | \$0 | \$0 |

*Distribution increase (decrease) net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Pineville** assumes the City would lose their full time police department from this proposal. The City would lose \$106,000 from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Missouri Department of Transportation**, the **Department of Revenue**, the **Office of the State Courts Administrator**, the **Department of Elementary and Secondary Education** and the **Office of the State Auditor** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **St. Louis County Board of Election Commission**, **Monroe County**, the **Special School District of St. Louis County**, the **City of Kansas City**, the **City of Columbia**, **St. Louis County**, the **Platte County Board of Election Commission**, the **Kansas City Public School** and the **Malta Bend R-V School District** each assume no fiscal impact to their respective organizations from this proposal.

ASSUMPTION (continued)

Oversight inquired with officials at the Department of Revenue regarding the amounts that have been redirected from local political subdivisions to schools for traffic fines because of the 30 percent limit. These were the amounts:

| Year | Amount |
|------|-------------|
| 2011 | \$19,205.47 |
| 2012 | \$107.07 |
| 2013 | \$0.00 |
| 2014 | \$5,000.00 |

The applicable percentage has changed twice in the last ten years. In 2009, it changed from 45 percent to 35 percent, and in 2013, it changed again to the current 30 percent.

Oversight assumes that there are local political subdivisions that could potentially realize more than 15% of their annual general operating revenues from traffic fines. This could result in increased revenues being diverted to schools and a loss in revenue to local political subdivisions. Oversight assumes this impact would net to zero across all local political subdivisions, collectively; however, Oversight does not have an estimate of the amount.

| <u>FISCAL IMPACT - State Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Local Government

FY 2016
(10 Mo.)

FY 2017

FY 2018

LOCAL POLITICAL SUBDIVISIONS

Revenue - School districts within certain cities, towns, or villages receiving a redistribution of excess traffic fines and court cost revenue.

Unknown

Unknown

Unknown

Loss - Local Political Subdivisions receiving more than 15% of their annual general operating revenues from traffic fines must forfeit a portion to local school districts.

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
LOCAL POLITICAL SUBDIVISIONS**

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

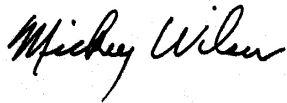
FISCAL DESCRIPTION

This bill changes from 30% to 15% the maximum amount of its total annual revenue a city, town, or village may receive from fines and court costs for traffic violations. All revenue from these violations in excess of 15% must be sent to the Director of the Department of Revenue.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the Attorney General
Missouri Department of Transportation
Department of Revenue
Office of the State Courts Administrator
Office of the State Auditor
Department of Elementary and Secondary Education
St. Louis County Board of Election Commission
Monroe County
Special School District of St. Louis County
City of Kansas City
City of Columbia
St. Louis County
Platte County Board of Election Commission
Kansas City Public Schools
Malta Bend R-V School District
City of Pineville



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January 15, 2015

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